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Wider Teamster Fund Probe Sought

The Justice Department Tuesday asked the U.S. District Court here to authorize the federal grand jury to broaden its probe of the teamster union's pension funds.

Judge Bernard M. Decker set Sept. 9 for a hearing before Chief Judge William J. Campbell on a government request to subpoena records on 32 loans made from the huge fund.

The grand jury already has indicted James R. Hoffa, president of the International Brotherhood of Teamsters, and seven associates on charges of having

put \$1,000,000 of \$20,000,000 in pension-fund loans to their own uses.

Hoffa is a trustee of the funds, now said to be worth \$240,000,000. Offices of the funds, covering the Central States and Southeast and Southwest areas, are at 29 E. Madison.

Special Asst. U.S. Atty. Charles Z. Smith asked that subpoenas for loan records be sent to Francis J. Murtha, executive secretary of the fund; Stanford Clinton, attorney for the fund, and Morris Lieberman, a real estate appraiser employed by the fund.

The indictment returned June 4 contains 27 counts of mail and wire fraud and one count of conspiracy against the eight men involved. Trial has been scheduled for Oct. 7 before Judge Richard B. Austin.

Atty. Frank G. McGarr, representing the fund, said the new request for subpoenas comes after 22 previous summonings of records in the last two years. He contended the huge investigation is making it impossible for the fund to operate.

Government attorneys are to appear Sep. 14 in court either to request immediate proceeding on the June 4th indictment, or delay of trial until completion of a Nashville (Tenn.) trial of Hoffa and others on charges of tampering with a jury.

The 32 companies on which records are now sought received loans in excess of \$30,000,000 from the pension funds, government lawyers said. They include real estate companies, resorts, hotels, manufacturers, a distillery, transport

companies, a newspaper and three insurance companies—including two in Chicago.

Attorney James B. Donovan of New York and another lawyer, Walter H. Moses, requested the court's permission to appear in defense of the fund.

Donovan is the negotiator who arranged the exchange of CIA agent Francis G. Powers for Russian spy Rudolph Abel and later negotiated with Cuban Prime Minister Fidel Castro for the ransom of prisoners from the abortive Bay of Pigs invasion in 1961.